

Kennecott Corporation
10 East South Temple
P.O. Box 11248
Salt Lake City, Utah 84147
(801) 322-7000

DOGM
MINERALS PROGRAM
FILE COPY

M/035/009

Kennecott

November 15, 1991


Mr. D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program
State of Utah
Department of Natural Resources
Division of Oil Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Dear Mr. Hedberg:

Re: Reclamation Contract, Barneys Canyon Mine

Enclosed is a completed Reclamation Contract for the Barney's Canyon Mine as requested in your October 8, 1991 letter to Mr. R. J. Ramsey. Please return a fully executed copy to Mr. Ramsey.

Sincerely,


D. J. Priano
Controller, U. S. Mines

DJP/st
Enclosure

cc: R. J. Ramsey, w/encl.

RECEIVED

NOV 18 1991

DIVISION OF
OIL GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED

NOV 18 1991

DIVISION OF
OIL GAS & MINING

RECLAMATION CONTRACT

---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M-035-009
(Mineral Mined) Gold

"MINE LOCATION":
(Name of Mine) Barneys Canyon Mine
(Description) 8200 South 9600 West
P.O. Box 311
Bingham Canyon, Utah 84006-0311

"DISTURBED AREA":
(Disturbed Acres) 710.4 acres
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Kennecott Corporation
(Address) 10 East South Temple
P.O. Box 11248
Salt Lake City, Utah 84147
(Phone) (801) 322-7000

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

"OPERATOR'S OFFICER(S)":

CT Corporation System

50 West Broadway

Salt Lake City, Utah 84101

(801) 364-1228

G. Frank Joklik, President

Michael P. Bates, Vice President

Robert A. Lonergan, Secretary

"SURETY":

(Form of Surety - Exhibit B)

Performance Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Aetna Casualty and Surety Co.

Bond No. _____

"SURETY AMOUNT":

(Escalated Dollars)

\$2,700,000

"ESCALATION YEAR":

1993 Dollars

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

EXHIBITS:

A "DISTURBED AREA":

B "SURETY":

Revision Dates:

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Kennecott Corporation the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M-035-009 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the Notice of Intention, and the Reclamation Plan. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Exhibit B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may

request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Division, or Board, as appropriate, may revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.

13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

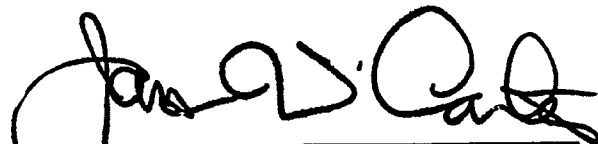
SO AGREED this 14th day of November, 19 91.



Michael P. Bates - Vice President

Operator

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY 

Chairman
Utah State Board of Oil, Gas and Mining

December 20, 1991
Date

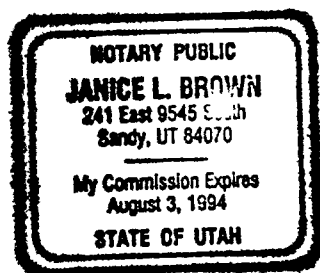
DIVISION OF OIL, GAS AND MINING:

By *Dianne R. Nielson*
Dianne R. Nielson, Director

12-20-91
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 20th day of December, 19 91, personally
appeared before me, who being duly sworn did say that he/she, the said
DIANNE R. NIELSON is the Director of the Division of Oil,
Gas and Mining, Department of Natural Resources, State of Utah, and he/she duly
acknowledge to me that he/she executed the foregoing document by authority of law
on behalf of the State of Utah.



Janice L. Brown
Notary Public
Residing at: Sandy, Utah

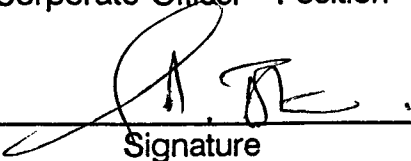
August 3, 1994
My Commission Expires:

OPERATOR:

Operator Name: Kennecott Corporation

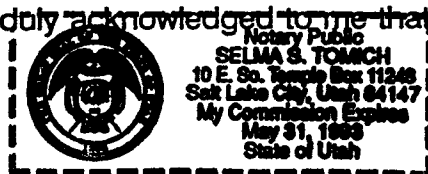
By Michael P. Bates - Vice President
Corporate Officer - Position

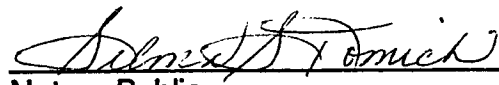
November 14, 1991
Date


Signature *M. Bates*

STATE OF UTAH)
COUNTY OF SALT LAKE) ss:

On the 14th day of November, 19 91, personally
appeared before me Michael P. Bates who
being by me duly sworn did say that he/she, the said Michael P. Bates
is the Vice President of Kennecott Corporation
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Michael P. Bates duly acknowledged to me that said
company executed the same.




Notary Public
Residing at: Salt Lake City, Utah

May 31, 1993
My Commission Expires:

SURETY:

The Aetna Casualty and Surety Company
Surety Company

By Richard C. Rose, Attorney-in-Fact
Company Officer - Position

November 6, 1991**Date**

Richard C. Rose
Signature

STATE OF Tennessee)

COUNTY OF Knox)

ss:

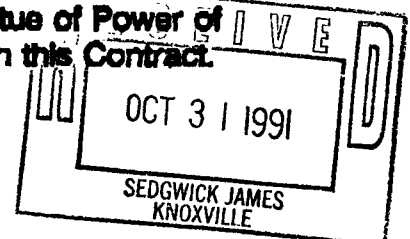
On the 6th day of November, 19 91, personally
appeared before me Richard C. Rose who
being by me duly sworn did say that he/she, the said Richard C. Rose
is the Attorney-in-Fact of The Aetna Casualty and Surety Company
and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said
Richard C. Rose duly acknowledged to me that said
company executed the same.

Janice H. Ferrell
Notary Public
Residing at: Knoxville, Tennessee

5-21-95**My Commission Expires:**

NOTE: An affidavit of Qualification must be completed and attached to this form for each authorized agent or officer. Where one signs by virtue of Power of Attorney for a company, such Power of Attorney must be filed with this Contract.

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Attachment "A"

(detailed legal description)

Legal Description (Location of Lands Affected):

SW ¼, - ¼, Section 36, Township 2S, Range 3W

SW ¼, - ¼, Section 2, Township 3S, Range 3W

SE ¼, - ¼, Section 3, Township 3S, Range 3W



POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL MEN BY THESE PRESENTS, THAT THE AETNA CASUALTY AND SURETY COMPANY, a corporation duly organized under the laws of the State of Connecticut, and having its principal office in the City of Hartford, County of Hartford, State of Connecticut, hath made, constituted and appointed, and does by these presents make, constitute and appoint **Richard G. Anderson, Tom H. McCarley, III, Richard C. Rose, Janice Fennell, Kent C. Hermes, Linda M. Howard or Frank A. Word** -

of **Knoxville, Tennessee**, its true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, or, if the following line be filled in, within the area there designated by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any and all consents incidents thereto

and to bind THE AETNA CASUALTY AND SURETY COMPANY, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of THE AETNA CASUALTY AND SURETY COMPANY, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Company which Resolutions are now in full force and effect:

VOTED: That each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, may from time to time appoint Resident Vice Presidents, Resident Assistant Secretaries, Attorneys-in-Fact, and Agents to act for and on behalf of the Company and may give any such appointee such authority as his certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors may at any time remove any such appointee and revoke the power and authority given him.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the Chairman, the Vice Chairman, the President, an Executive Vice President, a Senior Vice President, a Vice President, an Assistant Vice President or by a Resident Vice President, pursuant to the power prescribed in the certificate of authority of such Resident Vice President, and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary or by a Resident Assistant Secretary, pursuant to the power prescribed in the certificate of authority of such Resident Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact pursuant to the power prescribed in his or their certificate or certificates of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile under and by authority of the following Standing Resolution voted by the Board of Directors of THE AETNA CASUALTY AND SURETY COMPANY which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: Chairman, Vice Chairman, President, Any Executive Vice President, Any Senior Vice President, Any Vice President, Any Assistant Vice President, Any Secretary, Any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, THE AETNA CASUALTY AND SURETY COMPANY has caused this instrument to be signed by its
Senior Vice President
day of **October** 19 **91** and its corporate seal to be hereto affixed this **4th**

State of Connecticut }
County of Hartford } ss. Hartford



THE AETNA CASUALTY AND SURETY COMPANY
By *Joseph P. Kiernan*
Joseph P. Kiernan
Senior Vice President

On this **4th** day of **October**, 19 **91**, before me personally came **JOSEPH P. KIERNAN**
to me known, who, being by me duly sworn, did depose and say: that he/she is **Senior Vice President** of
THE AETNA CASUALTY AND SURETY COMPANY, the corporation described in and which executed the above instrument; that he/she knows the
seal of said corporation; that the seal affixed to the said instrument is such corporate seal; and that he/she executed the said instrument on behalf
of the corporation by authority of his/her office under the Standing Resolutions thereof.



Dorothy L. Marti
My commission expires **May 31, 19 93** Notary Public
Dorothy L. Marti

CERTIFICATE

I, the undersigned, **Secretary** of THE AETNA CASUALTY AND SURETY COMPANY, a stock corporation of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Board of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this **6th** day of **November** 19 **91**



By *John W. Welch*
John W. Welch
Secretary